

Message Text

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PAGE 01 CARACA 04732 01 OF 02 131828Z

ACTION ARA-10

INFO OCT-01 AF-10 EUR-12 EA-07 NEA-10 ISO-00 FEA-01

ERDA-05 AID-05 CEA-01 CIAE-00 COME-00 EPG-02

DODE-00 EB-07 FPC-01 H-01 INR-07 INT-05 L-03

NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-07 SP-02

SS-15 STR-04 TRSE-00 ACDA-07 PA-01 PRS-01 MCT-01

SSM-03 IO-13 DHA-02 AGR-05 /165 W

-----131907Z 106659 /42

R 121351Z MAY 77

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 0000

INFO AMEMBASY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY BOGOTA

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY TEL AVIV

AMEMBASSY TOKYO

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AMEMBASSY VIENNA

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PAGE 02 CARACA 04732 01 OF 02 131828Z

C O N F I D E N T I A L SECTION 1 OF 2 CARACAS 4732

E.O. 11652: GDS

TAGS: PFOR, ENRG, US, VE

SUBJECT: PRESIDENT PEREZ' MIDDLE EAST TRIP - VENEZUELA

"CATALYST" ON OPEC PRICE ISSUE -PROTAGONIST ON PALESTINIANS?

REF: CARACAS 4587, CARACAS 4515 (NOTAL)

SUMMARY: CONTRARY TO PRESIDENT PEREZ' DEPARTURE STATEMENTS THAT HE WOULD PLAY DOWN POSSIBLE ATTEMPTS TO HEAL OPEC PRICE SPLIT DURING HIS APRIL 20-MAY5 TRIP TO SEVEN OPEC COUNTRIES (PLUS AUSTRIA AND SPAIN), PEREZ IN SPEECH TO NATION MAY 9 RAISED EXPECTATIONS THAT HE MAY HAVE PLAYED A CATALYTIC ROLE IN HELPING TO HEAL OPEC PRICE SPLIT, AND INSISTED THAT PRICE SPLIT WOULD BE ON WAY TO SETTLEMENT BY TIME OF OPEC MINISTERIAL IN STOCKHOLM IN JULY. ON SEPARATE BUT RELATED MATTER, PEREZ ALSO AGREED TO LANGUAGE IN JOINT COMMUNIQUE WITH MIDDLE EAST STATES DURING TRIP CONCERNING LEGITIMATE RIGHTS OF PALESTINIANS WHICH GOES BEYOND VENEZUELA'S TRADITIONAL POSITION. IN HIS MAY 10 SPEECH TO NATION, PEREZ DENIED ANY CHANGE IN VENEZUELA'S TRADITIONAL POSTURE OF "ACTIVE NEUTRALITY," WHILE AT SAME TIME REITERATING VENEZUELAN SUPPORT FOR PALESTINIAN HOMELAND, AND CLAIMED THAT GOV VIEWS COINCIDE WITH CARTER ADMINISTRATION POSITION ON THIS ISSUE.

UPSHOT OF TRIP IS TWO-FOLD. IT HAS RAISED EXPECTATIONS THAT VENEZUELA MAY BE PERCEIVED AS HAVING A KEY ROLE IN HEALING PRICE SPLIT. THIS WOULD IMPLY AT A MINIMUM A GREATER ALIGNMENT OF VENEZUELA WITH ARAB STATES ON THE ONE HAND, AND ALSO GENERATE POTENTIAL OPPOSITION TO HIM BOTH WITHIN HIS PARTY AND WITH DOMESTIC OPPOSITION.

END SUMMARY.

1. THE TRIP ITSELF. PEREZ' TRIP STARTED OUT IN
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PAGE 03 CARACA 04732 01 OF 02 131828Z

RELATIVELY LOW KEY MANNER, WITH PEREZ HOLDING OUT LITTLE HOPE THAT HE WOULD BE ABLE TO INFLUENCE DIFFERENCES BETWEEN OPEC PRICE HAWKS AND THE TWO DOVES. STATEMENTS AND COMMUNIQUE ISSUED IN OPEC CAPITALS STRESSED POLITICAL ROLE OF OPEC AS THE NEGOTIATING ARM OF THE THIRD WORLD, FOREMOST WITHIN CIEC AND IN GENERAL, WITH DCS. LANGUAGE ON MIDDLE EAST PROBLEM. PARTICULARLY IN CALLING NOT ONLY FOR ISRAELI WITHDRAWAL FROM OCCUPIED ARAB TERRITORIES, BUT ALSO FOR "RECOGNITION" (QUATAR) "RESTORATION" (KUWAIT), AND "REALIZATION" (SAUDI ARABIA) OF PALESTINIAN PEOPLE'S RIGHTS SET OFF ROUND OF CHARGES AND DENIALS HERE CONCERNING VENEZUELA POSITION ON THE PALESTINIAN QUESTION.

2. PEREZ' ASSESSMENT OF OIL SPLIT ISSUE. IN MAY 9 SPEECH TO NATION, PEREZ GINGERLY AVOIDED STATING FLATLY THAT OPEC PRICE ISSUE HAS BEEN RESOLVED WHILE BOTH ADMITTING THAT IT WAS A CENTRAL ISSUE OF HIS DISCUSSIONS WITH OPEC LEADERS AND THAT HIS TRIP HAD SERVED TO

ADVANCE RESOLUTION OF THE ISSUE. HE SAID VARIOUS FORMULAS WERE DISCUSSED AND INSISTED THAT THE PRICE SPLIT WOULD BE, AT THE LEAST, IN THE PROCESS OF SETTLEMENT BY THE TIME OF THE OPEC MINISTERIAL MEETING IN STOCKHOLM ON JULY 12.

3. PEREZ - JUSTIFICATION FOR THE TRIP. DURING HIS MAY 9 PRESENTATION, PEREZ STRESSED THAT VENEZUELA'S INTERESTS IN MIDDLE EAST SURPASS MERE EXISTENCE OF OPEC, AND INCLUDE INTERESTS OF DISADVANTAGED PRIMARY PRODUCERS WHO ARE STRIVING FOR CREATION OF NEIO. HE NOTED THAT HIS AGENDA INCLUDED, IN ADDITION TO INTRA-OPEC ISSUES, PROBLEMS OF MIDDLE EAST, OPEC SPECIAL FUND, SPECIAL AGRICULTURAL FUND, AND COMMON FUND. HE SAID THAT, CONTRARY TO THE "DISTORTED IMAGE" OF THE ARABS AS "PEOPLE FOREIGN TO AND REMOVED FROM CIVILIZATION...." WHO WASTE THEIR RICHES IN EUROPEAN CASINOS AND IN PURCHASING BUILDINGS
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PAGE 04 CARACA 04732 01 OF 02 131828Z

AND MANSIONS, THE ARABS ARE MAKING GREAT EFFORTS TO OVERCOME POVERTY AND BUILD DECENT LIVES FOR THEIR PEOPLES. THUS THEY MUST BE TAKEN SERIOUSLY.

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PAGE 01 CARACA 04732 02 OF 02 130429Z POSS DUPE
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PAGE 02 CARACA 04732 02 OF 02 130429Z POSS DUPE

C O N F I D E N T I A L SECTION 2 OF 2 CARACAS 4732

4. EXEGESIS OF VENEZUELA'S POSITION ON ISRAEL. MAY 9
SPEECH RE-EMPHASIZED VENEZUELA'S LONG STANDING POLICY OF
"ACTIVE NEUTRALITY" ON ISRAELI ISSUE. VENEZUELA HAD
SUPPORTED CREATION OF INDEPENDENT ISRAEL IN UN IN 1947.
OVER THE YEARS, VENEZUELA HAS NOT BEEN SATISFIED MERELY
TO DECLARE ITS NEUTRALITY, BUT TO ACTIVELY SEEK PEACE
IN MIDDLE EAST. GOV POSITION ON ME SETTLEMENT INCLUDES
THREE POINTS: 1) WITHDRAWAL OF ISRAELI TROOPS FROM
TERRITORIES OCCUPIED IN 1967 WAR; 2) RECOGNITION OF
STATE OF ISRAEL BY ARAB STATES; 3) CREATION OF A
PALESTINIAN STATE AND ITS RECOGNITION BY ISRAEL. HE
MAINTAINED THAT THESE PRINCIPLES ARE THOSE CONTAINED IN
US SC RESOLUTIONS 242 AND 338. TO STRENGTHEN HIS CASE,
PEREZ ADDED THAT MOST DEMOCRATIC COUNTRIES SHARE HIS
VIEW AND HE TWICE CITED PRESIDENT CARTER TO BOLSTER HIS
THESIS. FIRST, HE SAID PRESIDENT CARTER HAS TAKEN
VIRTUALLY THE SAME POSITION AND RECENTLY STATES "THERE
MUST BE EQUITY, THERE MUST BE FLEXIBILITY, THE PAST MUST
BE FORGOTTEN, THERE MUST BE DETERMINATION AND THE WILL
TO SOLVE THE PALESTINIAN PROBLEM." THEN, CITING A
FRESH WIRE SERVICE STORY, PEREZ QUOTED PRESIDENT CARTER'S
STATEMENT DURING HIS MEETING WITH SYRIAN PRESIDENT ASSAD
TO EFFECT THAT US SUPPORTS A "HOMELAND FOR
THE PALESTINIANS."

5. AUSTRIA AND SPAIN. PEREZ ALSO REFERRED TO DISCUSSION WITH AUSTRIANS AND SPANISH. HE NOTED THAT IN VIENNA HE DISCUSSED IN DETAIL PROBLEMS OF MIDDLE EAST, HUMAN RIGHTS, NUCLEAR PROLIFERATION, TERRORISM, THE NIEO, AND HE GAVE SPECIAL EMPHASIS TO AUSTRIAN INTEREST IN THE PROBLEM OF ILLICIT PAYMENTS BY MNCS AND EFFORTS THROUGH THE UN TO PROTECT LDCS FROM SUCH CORRUPT PRACTICES. HIS ONLY COMMENT ABOUT HIS BRIEF STOPOVER IN CANARY ISLANDS WAS THAT HE WAS RECEIVED WITH UNUSUAL
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PAGE 03 CARACA 04732 02 OF 02 130429Z POSS DUPE

ENTHUSIASM, "AS IF I HAD ARRIVED IN A VENEZUELAN TOWN."

6. COMMENT: IRONICALLY, PEREZ' TRIP TO THE MIDDLE EAST MAY TURN OUT TO HAVE CONSIDERABLY MORE IMPACT, BOTH INTERNATIONALLY AND DOMESTICALLY, THAT HAS TOUTED FIRST OVERSEAS TRIP TO EUROPE LAST FALL. IMPETUOUS AND NOT ONE TO UNDERPLAY A SCENE, PEREZ CLEARLY IMPLIED THAT SUCH PRICE ISSUE BE RESOLVED, VENEZUELA COULD CLAIM MUCH OF THE CREDIT. THIS IMPLICATION IN ITSELF WILL BE PERCEIVED BY MANY DOMESTIC OBSERVERS TO MEAN THAT PEREZ HAS DECIDED TO PLAY A MORE OPEN PRO-ARAB HAND ON THE PALESTINIAN ISSUE IN RETURN FOR ARAB WILLINGNESS TO ALLOW PEREZ TO PLAY A "CATALYTIC"ROLE ON THEIR PRICE ISSUE, AT LEAST IN THE PUBLIC EYE.

7. ON PALESTINE, PEREZ WAS INITIALLY QUITE DEFENSIVE IN HIS MAY 9 SPEECH, WITNESS HAS INFELICITIOUS DISMISSAL OF THE ARAB "STEREOTYPE" AND HIS LONG JUSTIFICATION FOR MAKING THE TRIP, BUT, IN REALITY, PEREZ' EXPLANATION OF VENEZUELA'S POSITION ON THE PALESTINE QUESTION SUGGESTS A SUBTLE BUT APPRECIABLE SHIFT TOWARD THE ARAB POSITION, ALBEIT OBFUSCATED TO MUTE DOMESTIC CRITICISM. FURTHER, HIS HANDLING OF THE SUBSTANCE OF THE PALESTINIAN ISSUE MERITS HIGH MARKS. HE INACCURATELY STATED THAT VENEZUELA'S POSITION ON THE HOMELAND ISSUES COINCIDES WITH THE UN RESOLUTIONS WHICH HE SAID CALL FOR THE CREATION OF A PALESTINIAN STATE. HE THEN IMMEDIATELY QUOTED PRESIDENT CARTER TWICE, LEAVING THE CLEAR IMPLICATION THAT THE US AND VENEZUELAN POSITIONS ARE IDENTICAL. BY JUXTAPOSING THOSE QUOTES AS HE DID, AND, IN EFFECT, EMBRACING THE US, HE CUT THE GROUND OUT FROM UNDER THE OPPOSITION BY CLAIMING THAT VENEZUELA HAS NOT REALLY CHANGED ITS POSITION AND THAT EVEN IF IT HAD, WASHINGTON'S OWN VIEWS PARALLEL THOSE OF PEREZ (SEE CARACAS 4515).

8. THE TRIP THEN HAS OPENED UP OPPORTUNITIES FOR PEREZ
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PAGE 04 CARACA 04732 02 OF 02 130429Z POSS DUPE

TO PLAY A LARGER ROLE IN OPEC AFFAIRS, AND POTENTIALLY TO CLAIM AN EVEN GREATER ROLE AS A GENUINE SPOKESMAN FOR THE THIRD WORLD IN ITS DIALOGUE WITH THE DCS. IT ALSO ALLOWS PEREZ TO PRONOUNCE HIS AFFINITY FOR US VIEWS, NOT ONLY ON PALESTINE, BUT ALSO ON ENERGY CONSERVATION, AND IN AUSTRIA, ON HUMAN RIGHTS, TERRORISM, AND ILLICIT PAYMENTS. PEREZ THUS GETS MULTIPLE SHORT-TERM BENEFITS --CLAIMED WASHINGTON APPROVAL FOR HIS VARIOUS POLICY PRONOUNCEMENTS, INCREASED VISIBILITY IN THIRD WORLD FORA, GENERAL PROBLEM-SOLVER, AND INCREASED STATURE AT HOME. HE ALSO RUNS CERTAIN RISKS. MUCH OF AD IS STRONGLY PRO-ISRAEL, AS IS MOST OF COPEI, AND HIS "TILT" TOWARD THE ARABS COULD PRODUCE A DOMESTIC BACKLASH. FURTHER, THE US JEWISH COMMUNITY MAY NOT TAKE KINDLY TO THE PEREZ BRAND OF RAPPROACHMENT TO THE ARABS, AND THIS COULD PRODUCE SOME SOUR NOTES DURING HIS TRIP TO WASHINGTON NEXT MONTH. FINALLY, IF A PRICE SETTLEMENT FAILS TO MATERIALIZE, OR IF ONE IS AGREED TO WHICH IS NOT PERCEIVED AS BEING IN GOV INTEREST, PEREZ WILL BE LEFT HOLDING A LARGE BAG.

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Message Attributes

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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Reference: 77 CARACAS 4587, 77 CARACAS 4515
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Secure: OPEN
Status: NATIVE
Subject: PRESIDENT PEREZ' MIDDLE EAST TRIP - VENEZUELA \"CATALYST\" ON OPEC PRICE ISSUE -PROTAGONIST ON PALESTINIANS?
TAGS: PFOR, ENRG, OVIP, PDEV, US, VE, XF, OPEC, (PEREZ, CARLOS ANDRES)
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/bbe4b695-c288-dd11-92da-001cc4696bcc
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